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DESCRIBE POOR CONDITIONS IN TRADE, CONSUMERS' GOODS PRODUCTION

REORGANIZE SOFIA TRADING ORGANIZATIONS -- Sofia, Izgrev, 19 Dec 50

The Five-Year Plan provides for the operation in Sofia of 69 trade branches and 4,070 stores. At the end of 1953, the number of commercial enterprises is slated to reach 3,965, of which 3,577, or 95 percent, will belong to the social sector and 188, or 5 percent, to the private sector. The plan also defines how many stores should be opened by every commercial enterprise, and their location, in order to set up the proper interrelation between the various branches and to establish business streets throughout the districts of Sofia.

Of the 13 Narmag (People's Stores) special stores [at free prices] provided by the plan, nine have been opened and four are under repair. Of the 16 up-to-date-model stores, ten had been opened as of 1 September, four were under repair, and two were in process of organization. Beside 240 grocery, vegetable, butcher, dairy, and bakery shops have been opened by the Serdika (Dairy Products), Rila (Meat and Processed Foods), Zdrava Khana (Wholesome Food), Narmag, Narkoop (People's Cooperative), Plod-Zelenchuk (Fruits and Vegetables), and other food enterprises. Many stores have been repaired and redecorated, and 54 new ones are to be opened shortly. Of the 75 planned soft-drink and snack stands, four have been put into operation.

The enterprises are conducting courses for sales personnel. The Sofia Municipal Soviet has set up 31 such courses, which are attended by 5,000 people, and the Narkoop and Narmag enterprises have also established similar courses.

A serious shortcoming consists in the inability of the Trade and Supply Department of the Municipal Soviet to supervise the entire reorganization work of trade enterprises provided by Decree 1511 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party. The department has commissioned the enterprises to conclude agreements with the retail trade organizations, without removing the difficulties contained in some of the contracts. For instance, the Kolstok (Groceries) enterprise refused to sell staple products to retail organizations and only concluded contracts to

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provide pickled produce (pickles, sauerkraut, etc.). The department, on this occasion, failed to submit the problem to the Ministry of Internal Trade. Furthermore, the department is not alert in analyzing the needs and preferences of the public with regard to food, clothing, and footwear, and the fluctuations in the workers' wage fund.

The Price Department has failed to establish the prices of numerous goods and thus has neglected its main responsibility, by leaving the decisions to the Ministry of Internal Trade.

The Textile and the Sugar Departments are working in a bureaucratic fashion, never calling for the cooperation of the party or the Fatherland Front for the launching of education campaigns, etc.

The Contingents [i.e., Quotas] and Ration Cards Department is also committing many errors and has set up the workers' categories improperly.

Nothing has been done, so far, to remove offices and warehouses from business streets and convert the space for stores. The planned 75 soft-drink and food stands have not been erected owing to the incompetence of the employees entrusted with their establishment. The Sofia Municipal Soviet has also failed to extend its financial support for the stabilization of the trading enterprises under its jurisdiction, has not set up business districts, etc.

On the other hand, the purchasing services of economic enterprises, such as Serdika and Plod-Zelenchuk have frequently failed to provide efficient operations, and there has been little cooperation between the purchasing agencies and the local producers.

The planning departments in many enterprises are concerned only with statistics and are satisfied with simply registering the turnover figures of trading enterprises, whereas the plans for goods circulation, assortment, fund circulation, labor, amortization, etc., are disregarded. Owing to this negligence, the Industrial Goods and Plod-Zelenchuk enterprises had a deficit of many millions of leva and found themselves in major difficulties. The bookkeeping departments are not checking the accounting operations of stores and warehouses accurately. No efforts are being made to improve the quality of goods. For instance, the Bread and Bread Products Department supplied flour infested with worms and containing impurities, and the bread was underbaked and soggy, or burned, of irregular shape, etc. The Rila enterprise sold poor quality salami, meat, etc., whereas the Serdika enterprise sold sour milk. The Zdrava Khana enterprise sold spoiled food, because of the carelessness of personnel and bad storing, and the Plod-Zelenchuk enterprise sold substandard grapes, apples, potatoes, tomatoes, peppers, etc. All enterprises, without exception, used their best goods for display and for special stores exclusively and thus cost the population unduly high prices.

Old merchandise and frozen funds are normal phenomena in most enterprises. The Rila enterprise, for instance, has immobilized 18 million leva through the purchase of hard-to-sell goods, such as caviar, preserves, canned foods, etc. The Industrial Goods department has about 32 million leva in frozen funds, etc.

The sales personnel is still showing very poor training. Hygiene and cleanliness are completely disregarded in many enterprises, and scandalous conditions in this regard are prevailing in some of them. The Plod-Zelenchuk stores for example, resemble a packing warehouse much more than a place to serve the public.

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Owing to all the above shortcomings, the following measures should be applied to assure proper and strict compliance with Decree 1511:

1. The departments of the trade and supply organizations must be re-organized by the end of 1950 and the employees guilty of negligence dismissed.
2. A single leadership and management should be established for the entire trade area. The proper directions should be issued by the Sofia Municipal People's Soviet or its Trade and Supply Department.
3. Plans should be set up for the goods turnover of trade enterprises, the increase of marketing funds, the liquidation of old merchandise, and the organization of weekly markets for the sale of produce, supported by the trade enterprises and the farm workers' cooperatives and state farms.
4. Nomenclature should be established for goods of various trade branches and henceforth consistently applied.
5. Planning should become an integral part of everyday trading operations in every enterprise, and in wholesale and retail and state and cooperative establishments. Consumers' requirements should be carefully surveyed and those goods provided which are the most needed.
6. The rayon people's soviets should stabilize their Trade and Supply Departments, distribution offices, and housing-block services.
7. The interior equipment and selling methods of stores should be further improved.
8. The purchasing and receiving departments of Serdika and Plod-Zelenchuk should be reorganized to provide a better supply of milk, fruit, vegetables, etc.

REJECT DEFECTIVE SHOES -- Sofia, Izgrev, 19 Dec 50

A shipment of shoes, with a total value of 4 million leva, has been received in Ruse from the Surp i Chuk State Industrial Enterprise in Gabrovo. The shoes have been found to be of such defective manufacture that the entire shipment, except children's shoes, had to be rejected and returned to the Clothing and Shoes State Trade Enterprise in Gabrovo, which is responsible for the articles.

The men's rubber-soled shoes were made of such poor material that they crushed at the least pressure. The soles were of porous rubber and not sewn, but glued, which increased their poor wearing quality. They were also unsatisfactory in shape and appearance. The same was true of women's shoes, which were uncomfortable and very poorly manufactured. Most women's shoes were of velour and unfit for winter wear, whereas the kid shoes were of very low quality leather. The boys' shoes were also very poor.

Another shipment of 546 pairs of women's velour shoes with leather soles, which were unsellable, have also been returned to the Ruse Clothing and Shoes Department.

An investigation will be necessary to examine the reason for the defects in the articles received by the Ruse State Trade Enterprise.

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REPORT CORRUPTION IN ARTISANS' CO-OPS -- Rome, Bulgaria, [anti-Communist news-paper] 31 Dec 50

According to information from Bulgaria, corruption is spreading throughout the cooperative enterprises in the country. An investigation of the tailoring cooperative in Pleven revealed that Iosko Spasov, chief of the clothing department, had stolen 100 meters of fabrics and 610,000 leva, whereas Khristo Grivishki, inspector of the Artisans' Cooperative for the Pleven area, had stolen 160 meters of fabric. Grivishki was selling the fabric, adding a profit of 340 leva per meter, and had increased the price of suits by 16 percent. It is noteworthy that on 1 May 1950 Spasov was awarded the title, Honorary Worker, and a cash prize.

3 CONVICTED OF FRAUD -- Sofia, Izgrev, 23 Dec 50

Three employees of the Zemsna organization in Ruse have been convicted of fraud. They had reimbursed employees of the Despred (State Economic Enterprises) for fictitious expenditures totaling 300,000 leva.

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